



Ministry of Power

# Power minister approves major relief measures for power sector

## Union power ministry to ensure 24×7 electricity supply during lockdown

## Payment security to be reduced by 50 percent

## 3 months moratorium on Discoms to make payment to Gencos and transmission licensees

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Despite the lockdown imposed to contain the spread of the COVID 19 pandemic, the whole workforce of the power sector – generation, transmission, distribution and system operations - is working round the clock to keep all homes and establishments lighted. Shri R.K.Singh, the Union Minister of Power, has said that in this time of crisis, the Ministry of Power is committed to provide 24x7 supply of electricity to all consumers.

Around 70% of power generation is from coal based power plants. In order to maintain the continuity of supply of coal by domestic coal companies and transportation by railways, the ministry is in touch with the Ministries of Railways and Coal.

Due to the lockdown, consumers are unable to pay their dues to the Distribution Companies (Discoms). This has affected the liquidity position of the Discoms thereby impairing their ability to pay to the generating and transmission companies. In this context, Shri R.K.Singh, the Union Minister of Power has approved significant relief measures for power sector. The following decisions have been taken to ease the liquidity problems of the Discoms –

- a. CPSU Generation / Transmission Companies will continue supply/ transmission of electricity even to Discoms which have large outstanding dues to the Generation / Transmission companies. During the present emergency there will be no curtailment of supply to any DISCOM.
- b. Till 30<sup>th</sup> June 2020 the payment security mechanism to be maintained by the Distribution Companies with the Generating Companies for dispatch of power shall be reduced by fifty percent.
- c. Directions have been issued to the Central Electricity Regulatory Commission to provide a moratorium of three months to Discoms to make payments to generating companies and

transmission licensees and not to levy penal rates of late payment surcharge. State Governments are being requested to issue similar directions to State Electricity Regulatory Commissions.

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**RCJ/M**

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